

**MINUTES OF A TOWN COUNCIL WORK SESSION
TOWN OF LURAY, VIRGINIA
Tuesday, January 25, 2011**

The Luray Town Council met in a work session on Tuesday, January 25, 2011 at 5:30 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia at which time there were present the following:

Presiding: Mayor Barry Presgraves

**Council Present: Ronald Vickers
Lonnie Arrington
Mary Menefee
Leroy Lancaster
Jerry Schiro
Earl Racer**

**Also Present: Rick Black, Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Treasurer
Danielle Babb, Deputy Clerk-Treasurer
Ligon Webb, Town Planner
Jason Spitler, Town Attorney
Don DePoy, Shenandoah Valley Music Makers
Ron Carrier, James Madison University Past President
Erik Fox, 117 Luray Avenue, Luray
Rod Graves, Luray Caverns Corporation
Pat Racey, Luray Little League**

The meeting was called to order by Mayor Presgraves and everyone recited the Pledge of Allegiance to the flag.

Changes or Additions to the Agenda

Mayor Presgraves asked if there were any changes or additions to the agenda. Town Manager, Rick Black, requested to discuss a proposed communications tower.

50th Anniversary Bluegrass Festival

Mr. Rod Graves, Luray Caverns Corporation, gave Council information on the upcoming bluegrass music festival to be held at Luray Caverns on the July 4th weekend. Mr. Graves explained that the Luray Caverns Corporation will offer the concert space free of charge in celebration of the 50th Anniversary of the first bluegrass festival. Mr. Graves explained that tremendous effort has already gone into this event. Lastly, Mr. Graves discussed the proclamations that are being proposed in regards to the event.

Mr. Ron Carrier, former JMU president, discussed his trip to Richmond yesterday to speak before the General Assembly. Mr. Carrier stated that the last time he spoke before a city council was with the Harrisonburg City Council in respect to the construction of a performing arts center. He said that this instance reminded him of the need for economic development and the utilization of natural resources in ones community. Mr. Carrier commended Mr. Don Depoy's efforts with the Shenandoah Valley Music Makers Trail. He said this is a good economic effort for the community and complemented the town on its efforts in revitalizing the downtown area.

Mr. Don DePoy provided Council with a packet about the 50th Anniversary of the Bluegrass Festival and what is being requested from Council. Mr. DePoy briefed Council on items since he last attended a meeting of the Town Council. Mr. DePoy requested that Council and Staff consider allocating funds in the next budget cycle to contribute to the festival. Mr. DePoy discussed the economic benefits to the town and surrounding area from the festival. He asked for Council's consideration of four proclamations; 1) Proclamation: Luray as the birthplace of the Bluegrass Festival 2) Proclamation: July 4th as Bill Clifton Day 3) Proclamation: the month of July as International Bluegrass Festival Month 4) Proclamation: the festival in Luray on July 4th weekend as the "official" festival celebrating the world's first bluegrass festival.

Motion: Councilman Vickers motioned to approve the four proclamations as presented by Mr. DePoy, motion seconded by Councilwoman Menefee with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Boundary Line Adjustments

Second Street (Erik Fox)

Town Manager, Rick Black, discussed a request from Mr. Fox for a boundary line adjustment. Mr. Fox's property is located on Second Street, lots 19 and 20. Mr. Fox would like to straighten the property line at the rear of the lots. Mr. Fox has proposed to exchange 10 feet of the alley at the rear of lot 20 for 10 feet of alley at the rear of lot 19. Councilman Arrington suggested vacating the entire alleyway. Mr. Fox stated that this would be a possibility also; he stated that he just wants to correct the property line. Town Attorney, Jason Spitler, said that a public hearing would be required to dispose of town property. Mr. Black stated that a public hearing would be required regardless of the option agreed upon. Councilman Lancaster agreed that the Town should vacate the entire alleyway. Mr. Black said that all adjacent property owners would need to be notified. Mayor Presgraves said that Council's consensus is the try to abandon the entire alleyway and proceed with the advertising for a public hearing.

Atkins Drive (Chris Ramsay)

Town Manager, Rick Black, discussed an inquiry from Mr. Ramsay about his property along Atkins Drive. Mr. Black explained that two of the parcels owned by Mr. Ramsay have been re-zoned to residential by Page County. Mr. Black said that it makes sense to do a friendly boundary line adjustment with the county in order to keep the property in the town. Mr. Black does not foresee any objections on this issue. He said that both the town and county would benefit from the property becoming developed. Mr. Black explained that a joint public hearing could take place and then this would go before the Circuit Court judge for approval. Councilman Lancaster inquired about the Town's

financial responsibility for providing water and sewer service to this location. Councilman Schiro said that conditions could be set forth that any water and sewer extended to the location be at the cost of the developer. Mr. Schiro reminded that the Town can state the terms of the agreement. Mr. Black said that Mr. Ramsey would be responsible for all costs incurred from the boundary line adjustment. Councilman Lancaster and Councilman Schiro agreed that the requestor should contact Page County officials. Mr. Black said that he would advise Mr. Ramsay that he would be responsible for initiating this request with Page County.

Luray Little League: Pat Racey

Pat Racey thanked the Council and Staff members who had made efforts in helping with the summary of project costs for the improvements at the Ralph H. Dean Recreation Park. Mr. Racey explained that the goal was to determine why the 2010 original cost estimates were around \$727,000 but a final cost of \$913,000 with an overage of about \$186,000. Mr. Racey said that the point of the review was to determine where these additional funds were spent. He attributed about \$80,000 to improvements to the kitchen equipment/food service area. The remainder included about \$112,000 that was used for fencing, scoreboards, a P.A. system, electrical work, two completed dugouts, and change orders. He summarized these items as basically field amenities. Mr. Racey said that some additional work was also done to the parking area. Overall, Mr. Racey defined these changes as either additions to the original plans or changes in the scope of work. Councilman Racer stated that his concern was with how these over-runs were authorized and by whom. Mr. Racey stated that he could not say for sure who authorized changes but he felt that Mr. Kelley, Kelley Construction, acted in the best interests of the town to save money. Councilwoman Menefee described the changes in two categories; modifications and additions. She stated that the bulk of these items were additions to the scope of work and that they were not able to determine how they were approved. Councilman Racer stated that this project was rushed into and that Council simply threw money at it and let it go. He emphasized that he hopes the Council has learned something from this “fiasco”. Councilwoman Menefee also recognized that there was no formal contract for the overall project. Mayor Presgraves agreed that there was no formal contract and that the project was rushed in order to meet the deadline. He also stated that the estimates of cost were somewhat of a guess and that future projects need much greater planning. Town Attorney, Jason Spitler, said he believes that Mr. Kelley did the best he could to provide cost savings to the town as indicated by his final pay request. Mr. Racey said that this project was somewhat of an oddity as it had not been achieved before and the goal is to make the project a long term success. He said that the task now is to keep the facility booked with tournaments. Mr. Racey also said the state of the league is now in better shape and is ready to work on the next round of tournaments for the coming season.

Town Planner Report

Town Planner, Ligon Webb, discussed the public hearings that were advertised in the newspaper for this month. The first hearing is regarding the Amendments to the Accessory Dwelling Unit (ADU) Ordinance. The second hearing will be for a special use permit request from Jason Pettit for 111 North Court Street. Mr. Webb stated that the dwelling has existing water and sewer connections and that he feels these connections should be grandfathered into the ordinance. He stated that this dwelling is what the commission had in mind when the ordinance was made and that it is a very good structure. Mr. Webb suggested that a minimum water and sewer bill be established. Councilman Arrington agreed that

a minimum water and sewer charge be billed. Town Manager, Rick Black, stated that minimum water, sewer, and refuse charges would be billed monthly to the accessory dwelling unit.

Mr. Webb reminded Council that two appointments will need to be made to the Board of Zoning Appeals. Mr. Webb advised that John Dovel would like to renew his term at its expiration. Mr. Webb said that there is also the possibility of reappointing Mr. Bill Frye and suggested this to Councilman Arrington. Town Attorney, Jason Spitler, advised that he will need the appointments before February 7, 2011 in order to bring them before the Page County Circuit Court on February 15, 2011.

Communications Tower

Town Manager, Rick Black, said that he received a letter in regards to a mono-communications tower near the State Police Headquarters on Leaksville Road. The letter describes the height and approximate location of the tower and asks for any information regarding any nearby historic sites that may be affected. Mr. Black reminded that the location is not within the town limits and said that he is not aware of any adverse affects to historic properties.

FY 2012 Revenue Projections

Town Manager, Rick Black, discussed the revenue projections for 2012 as they pertain to the budgeting process. He provided Council with a summary of Dues and Memberships along with Contributions for 2011-2012. Mr. Black advised Council that he had received an announcement from the Page County Commissioner of Revenue's office that real estate assessments are going down by 6.9%. Mr. Black estimates approximately a \$73,000 loss in revenues to the town. Mr. Black is proposing a one cent adjustment to the real estate tax rate in order to recover \$45,000 of the loss. A two cent adjustment would require a public hearing and would recover the entire loss. Mr. Black explained that a one cent adjustment will create potential problems with the semi-annual billing. Mr. Black emphasized that if a rate adjustment is made, it must be done before April 15, 2011.

Councilman Schiro reminded that the last reassessment sent tax revenues in the other direction and a rate adjustment was needed then to keep revenues neutral. Mr. Schiro requested more budget projections and felt a budget schedule should be established. Councilman Racer suggested that items be cut from the budget before discussing any tax rate increases.

Town Manager, Rick Black, reviewed the revenues for the general fund. He explained the projected tax revenues for all areas and stated that he does not anticipate losing revenues in any other areas.

Councilwoman Menefee discussed the cigarette tax revenues and the portion that was previously earmarked to offset the project softball costs.

Town Manager, Rick Black, said that he hopes for a slight increase in VDOT funding for the next budget cycle. Council and Staff discussed FEMA funding from last year's snow removal costs.

Contribution

Town Manager, Rick Black, presented a request for contribution from a Luray High School student. The contribution would assist with the costs for the People to People Student Ambassador Program. Mr. Black said that some funds remain in this budget line item for a contribution. Mr. Black was instructed by Council to ask the student to come before Council to introduce herself and discuss the program.

Proclamation

Town Manager, Rick Black, presented information for a Proclamation to recognize Lowell Baughan for his contributions to the Economic Development Authority. **Motion:** Councilman Lancaster motioned to approve the Proclamation in recognition of Lowell Baughan, motion seconded by Councilman Racer with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

EDA Nomination

Mayor Presgraves asked Council if they had any nominations for the EDA position. Councilman Schiro said that he understands that Richard Masincup would like to serve on the authority. Mr. Schiro spoke highly of Mr. Masincup and recommended him due to his financial background as a Certified Public Accountant. **Motion:** Councilman Schiro motioned to appoint Richard Masincup to the Economic Development Authority, motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Town Attorney

Town Attorney, Jason Spitler, stated that the only items of business for the evening would require an Executive Session.

EXECUTIVE SESSION

Legal Matters, Section 2.2-3711.A.7

(Actual Litigation: Town of Luray vs. Fielder's Choice Enterprises, Inc.)

Mayor Presgraves requested a motion to adjourn into Executive Session for the purpose of discussing Section 2.2-3711.A.7. **Motion:** Councilman Arrington motioned to recess the regular session and to convene in executive session; Councilman Racer seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Motion: Councilman Lancaster motioned to adjourn the closed session and to reconvene in open session; Councilman Schiro seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Mayor Presgraves asked members of Council to certify that to the best of their knowledge only matters covered under Section 2.2-3711.A.7 were heard, discussed, or considered during the closed session. **The roll was called with all members certifying “Yes”.**

Utility Bills

Town Manager, Rick Black, advised Council that a new supply of utility bills will need to be ordered. Therefore, he felt it was appropriate to discuss the fees that are pre-printed on the back of the utility bill. The fees are implemented by action of the Luray Town Council and therefore must be voted on in order to change the current reconnect fees. Mr. Black explained that the current reconnect fees are \$15.00 during business hours and \$25.00 after regular business hours. Mr. Black is proposing that these fees be increased to \$25.00 and \$50.00, respectively. The \$50.00 fee would be implemented when utilities are reconnected after hours, on weekends, and on holidays. Mr. Black noted that the current reconnection fees do not cover the expense incurred by the town. Councilman Schiro requested that in addition to changing this information on the back of the utility bills; that a separate notice be sent out to customers to notify of the fee increase. Mr. Black stated that he will provide the additional notice and that customers will be made aware of the effective date of the new fees. **Motion:** Councilman Lancaster motioned to approve the increase in reconnection fees for utilities to \$25.00 and \$50.00 as presented, motion seconded by Councilman Racer with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Adjourn

There being no further business, Mayor Presgraves adjourned the work session of the Town Council at approximately 7:36 pm.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer